

109TH CONGRESS
1ST SESSION

H. R. 4348

To amend the Internal Revenue Code of 1986 to allow a tax credit for the purchase and installation of emergency generators.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 2005

Mr. HASTINGS of Florida (for himself and Mr. WEXLER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a tax credit for the purchase and installation of emergency generators.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Emergency Generators
5 for Electric Needs (E–GEN) Act of 2005”.

6 **SEC. 2. CREDIT FOR PURCHASE AND INSTALLATION OF**
7 **EMERGENCY GENERATORS.**

8 (a) IN GENERAL.—Subpart B of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 30D. EMERGENCY GENERATOR CREDIT.**

4 “(a) CREDIT ALLOWED.—There shall be allowed as
5 a credit against the tax imposed by this chapter for the
6 taxable year an amount equal to 75 percent of the amount
7 paid or incurred by the taxpayer for the purchase and in-
8 stallation of any emergency generator placed in service by
9 the taxpayer during the taxable year.

10 “(b) DOLLAR LIMITATION.—The credit allowed
11 under subsection (a) with respect to any emergency gener-
12 ator shall not exceed—

13 “(1) \$60,000 in the case of an emergency gen-
14 erator placed in service by a character subject to an
15 allowance for depreciation, and

16 “(2) \$2,500 in any other case.

17 “(c) EMERGENCY GENERATOR.—For purposes of
18 this section, the term ‘emergency generator’ means an
19 electrical generator purchased and installed for the pur-
20 pose of providing emergency electric power to a taxpayer
21 that otherwise purchases electric power from a utility.

22 “(d) APPLICATION WITH OTHER CREDITS.—

23 “(1) BUSINESS CREDIT TREATED AS PART OF
24 GENERAL BUSINESS CREDIT.—So much of the credit
25 which would be allowed under subsection (a) for any

1 taxable year (determined without regard to this sub-
2 section) that is attributable to an emergency gener-
3 ator placed in service by a character subject to an
4 allowance for depreciation shall be treated as a cred-
5 it listed in section 38(b) for such taxable year (and
6 not allowed under subsection (a)).

7 “(2) PERSONAL CREDIT.—The credit allowed
8 under subsection (a) (after the application of para-
9 graph (1)) for any taxable year shall not exceed the
10 excess (if any) of—

11 “(A) the regular tax reduced by the sum of
12 the credits allowable under subpart A and sec-
13 tions 27, 30, 30B, and 30C, over

14 “(B) the tentative minimum tax for the
15 taxable year.

16 “(e) BASIS REDUCTION.—For purposes of this sub-
17 title, if a credit is allowed under this section for any ex-
18 penditure with respect to any property, the increase in the
19 basis of such property which would (but for this sub-
20 section) result from such expenditure shall be reduced by
21 the amount of the credit so allowed.

22 “(f) PROPERTY USED OUTSIDE UNITED STATES,
23 ETC., NOT QUALIFIED.—No credit shall be allowed under
24 subsection (a) with respect to any property referred to in

1 section 50(b)(1) or with respect to the portion of the cost
 2 of any property taken into account under section 179.

3 “(g) DENIAL OF DOUBLE BENEFIT.—No credit shall
 4 be allowed under subsection (a) for any expense for which
 5 a deduction or credit is allowed under any other provision
 6 of this chapter.

7 “(h) ELECTION NOT TO HAVE SECTION APPLY.—A
 8 taxpayer may elect not to have this section apply with re-
 9 spect to an emergency generator placed in service by the
 10 taxpayer during the taxable year.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 1016(a) of such Code is amended
 13 by striking “and” at the end of paragraph (36), by
 14 striking the period at the end of paragraph (37) and
 15 inserting “, and”, and by adding at the end the fol-
 16 lowing new paragraph:

17 “(38) to the extent provided in section 30D(e),
 18 in the case of amounts with respect to which a credit
 19 has been allowed under section 30D.”.

20 (2) Subsection (b) of section 38 of such Code
 21 is amended by striking “and” at the end of para-
 22 graph (25), by striking the period at the end of
 23 paragraph (26) and inserting “, and”, and by add-
 24 ing at the end the following new paragraph:

1 “(27) the portion of the emergency generator
2 credit to which section 30D(d)(1) applies.”.

3 (3) Section 55(c)(2) of such Code is amended
4 by inserting “30D(d)(2)” after “30(b)(3),”.

5 (4) Section 6501(m) of such Code is amended
6 by inserting “30D(h),” before “40(f),”.

7 (5) The table of sections for subpart B of part
8 IV of subchapter A of chapter 1 of such Code is
9 amended by adding at the end the following new
10 item:

“Sec. 30D. Emergency generator credit.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to property placed in service after
13 the date of the enactment of this Act, in taxable years
14 ending after such date.

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